



The General Assembly and the Governor of Delaware

The Legislative Leadership and Governor Ruth Ann Minner are pleased to announce today that they have reached agreement on an overall financial plan for the State of Delaware for Fiscal Year 2008.

Once again, we all came together to work in the best interests of all Delawareans to address critical public policy issues. The Fiscal Year 2008 financial plan will address critical core government services. Given the limited growth in state revenue, coupled with a rising demand for public school construction, the financial plan presented today is comprised of core government programs, budget reductions and targeted revenues.

The following outline highlights some of the major financial components of the agreement; however additional details will follow with the completion of the Fiscal Year 2008 Operating Budget, Bond and Capital Improvements Act (including the Transportation Trust Fund) and the Grant-In-Aid.

A summary of the agreement follows:

Operating Budget Issues

Funding is included for the following:

- Improving Public Education (including voluntary Full-day Kindergarten)
- Health insurance for our most needy Delawareans (Medicaid)
- Addressing the state's nursing shortage
- Other critical agency issues

Bond Bill Issues

Funding is included for the following:

- Approximately \$135 million to fund public education construction and renovations
- State agency minor capital improvements

Transportation Trust Fund Issues

The Legislative Leadership and Governor Ruth Ann Minner recognized the need to provide ongoing revenue to meet the core trust fund program---a comprehensive package that has not been raised since 1993. This revised plan will enable the Department of Transportation to meet its critical road and infrastructure needs for the next two years. The plan outlined today includes a combination of initiatives---federal fund maximization, project reauthorization, delivery of projects on a revised timetable and targeted revenues.

Targeted Revenue Package is as follows:

- Vehicle Registration Fees - Raise vehicle registration fees (less than 5,000 lbs) from \$20 to \$40 with other adjustments increasing accordingly: commercial registration (\$16.80 to \$18.00), farm trucks (\$2.60 to \$3.80), recreational vehicles (\$5.20 to \$6.40); motorcycles (\$10 to \$15) and trailers with a range of \$5 to \$10, depending on weight.
- Route 1 Tolls:
 - Increase commercial tolls by \$1.00 (Dover/Biddles), \$0.50 (Denneys/Boyd's) and \$0.25 (Smyrna) during the week and \$2.00 (Dover/Biddles), \$0.50 (Denneys/Boyd's) and \$0.25 (Smyrna) on the weekends.
 - Increase passenger tolls by \$1.00 (Dover/Biddles) on the weekends only.
 - Eliminate the 15% E-ZPass passenger vehicle utilization discount, but maintain the 50% Frequent Flyer discount.
 - Reduce the 50% E-ZPass commercial vehicle utilization discount to 25%.
- I-95 Tolls - Increase I-95 toll rates by \$1.00 and eliminate the 75%, 10PM to 6AM E-ZPass discount for commercial vehicles.
- Vehicle Document Fee - Increase the vehicle document fee by 0.50% in Fiscal Year 2008 and 0.50% in Fiscal Year 2009. These increases will raise the rate from 2.75% to 3.75% over two years.
- Various Fees - Increase titling fees from \$15.00 to \$25.00; driver's license fees from \$12.50 to \$25.00; and identification cards from \$5.00 to \$20.00.
- Traffic Fines - Establish a 50% "surcharge" on traffic fines and dedicate additional revenue generated from this surcharge to the Transportation Trust Fund.

Tax and Revenue Issues

- Increase the cigarette tax by 60 cents a pack (\$48 million in Fiscal Year 2008)
- Funds to support a variety of health related initiatives and additional cash to bond bill

Agreement on Other Major Policy Issues

- Joint Resolution to require a comprehensive study on Sports Betting
- Joint Resolution to analyze existing and potential future revenue sources
- A variety of user fee proposals including:
 - Title V Fees – House Bill 187
 - Fish and Wildlife Fees – House Bills 107 and 108
 - State Bureau of Identification (Administration)